


Financial Results for 9M (1Q-3Q) for the Fiscal Year ending March 2015

January 29, 2015

NEC Networks & System Integration Corporation
(TSE: 1973, NESIC)



1. Outline of the Results for 9M(1Q-3Q) FY2015/3

FY2015/3 9M Summary

Achieved a successive increase in sales and incomes

(Billion Yen)

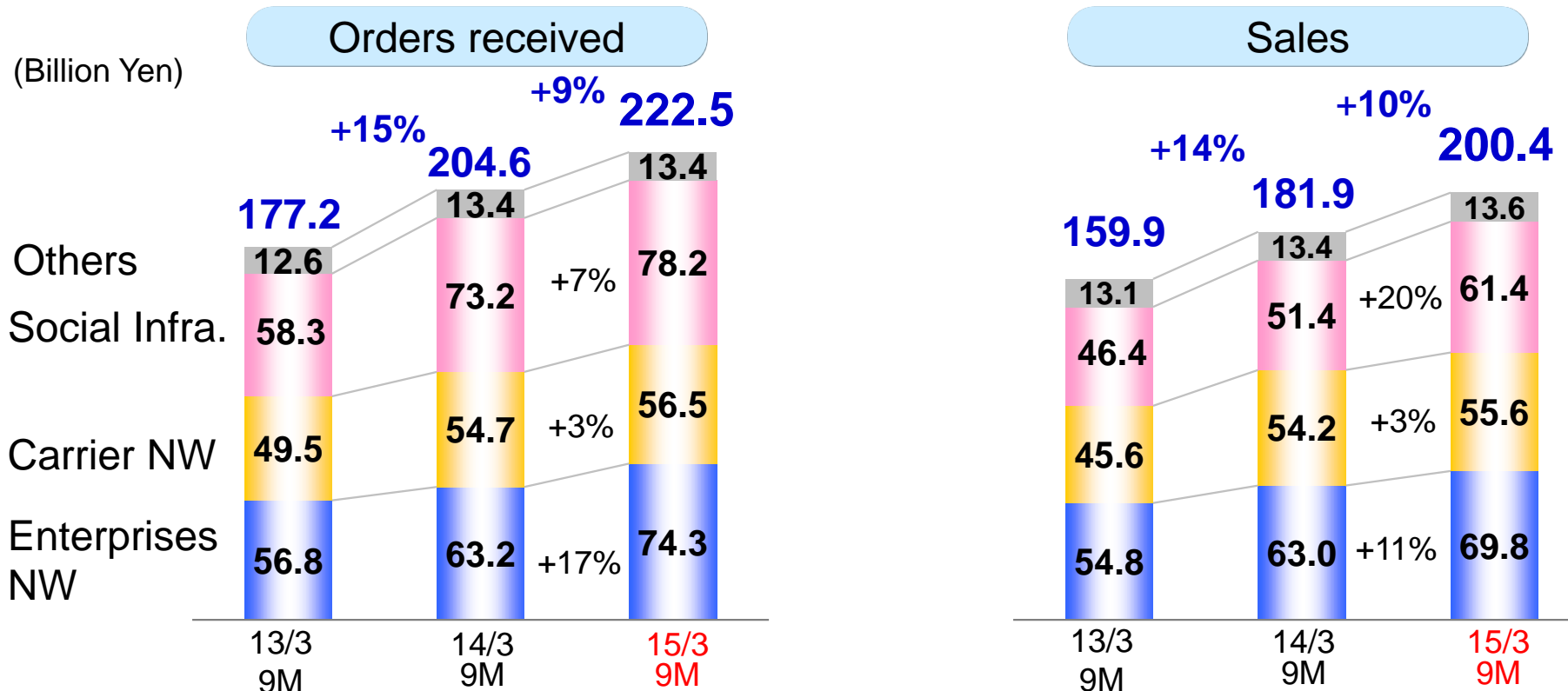
	9 months (1Q-3Q)			Ref: 3Q		
	FY14/3	FY15/3	Change	FY14/3	FY15/3	Change
Orders received	204.6	222.5	+9%	66.0	66.1	+0%
Net sales	181.9	200.4	+10%	66.7	69.8	+5%
Operating income	7.7	8.4	+0.6	3.6	3.9	+0.3
(to sales)	(4.3%)	(4.2%)	-0.1pt	(5.3%)	(5.6%)	+0.3pt
Net income	4.8	5.1	+0.3	2.1	2.4	+0.3
(to sales)	(2.6%)	(2.6%)	0.0pt	(3.2%)	(3.5%)	+0.2pt
Free cash flows	7.6	-0.9	-8.5	-7.0	-5.3	+1.7

FY2015/3 9M Orders/Sales Received by Segment

* FF: Firefighting, DP: Disaster prevention

Both orders and sales increased due to robust Enterprises Network and Social Infra. businesses

- ICT investment recovery, FF&DP system business and the effect of M&A executed the previous fiscal year (¥14 Bn.)



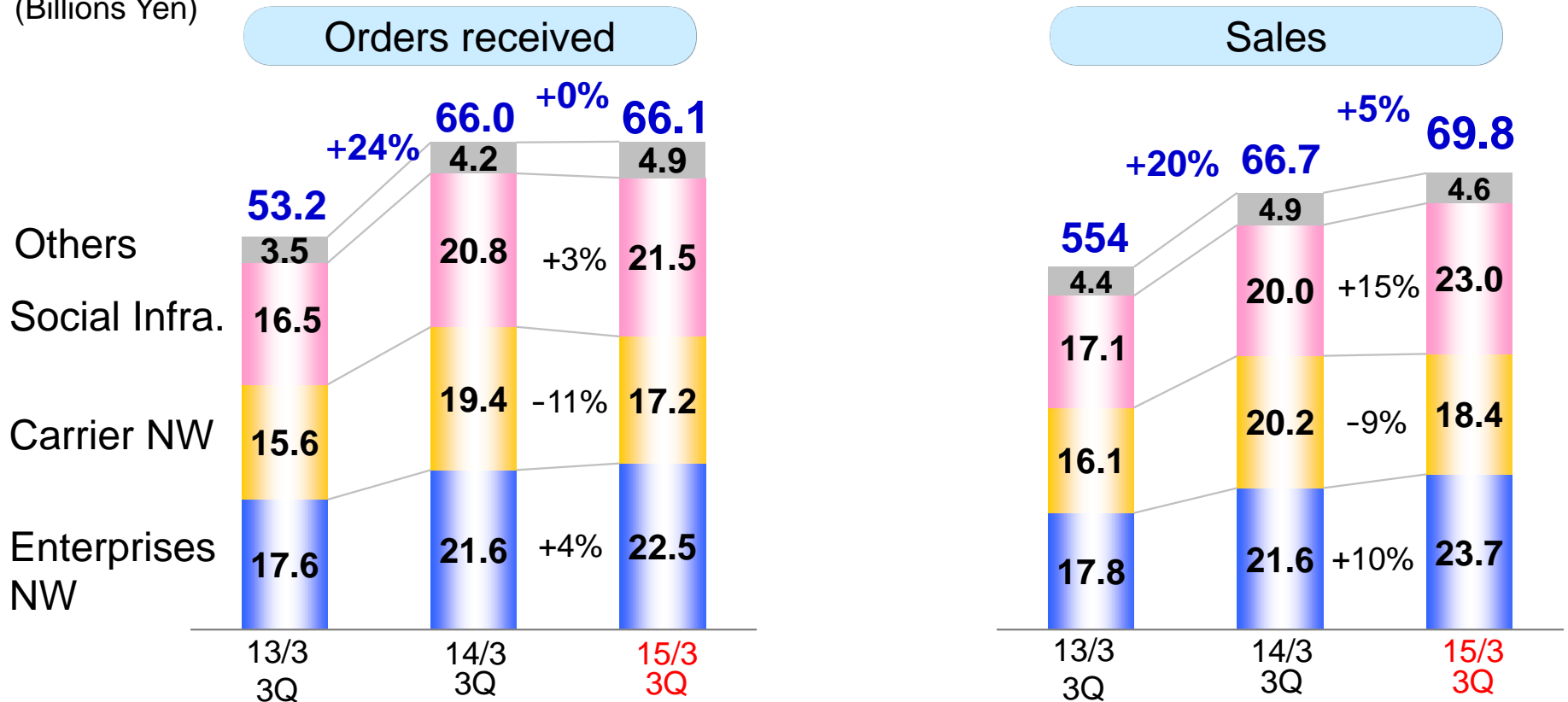
*We have reviewed its operational structure, aiming to enhance it by restructuring it in accordance with markets. In the fiscal year under review, we have changed the contents of business segments, and construction work for carriers, including the construction of mobile communications base stations, has been transferred from Social Infrastructure segment to Carrier Networks segment, among other changes. Segment information for FY13/3 and FY14/3 have been changed to reflect the change in the content of business segments

(Ref.)FY2015/3 3Q Orders/Sales Received by Segment

* FF: Firefighting

- Orders: Expansion of Enterprises Networks and big overseas projects fully offset the capex decrease of telecom carriers and the saturated digitalization demand of FF radio networks
- Sales: Increased with growth in Enterprises Networks and active installation of FF network digitalization projects

(Billions Yen)



FY2015/3 9M Enterprise Networks Business

* QAC: Q&A Corporation

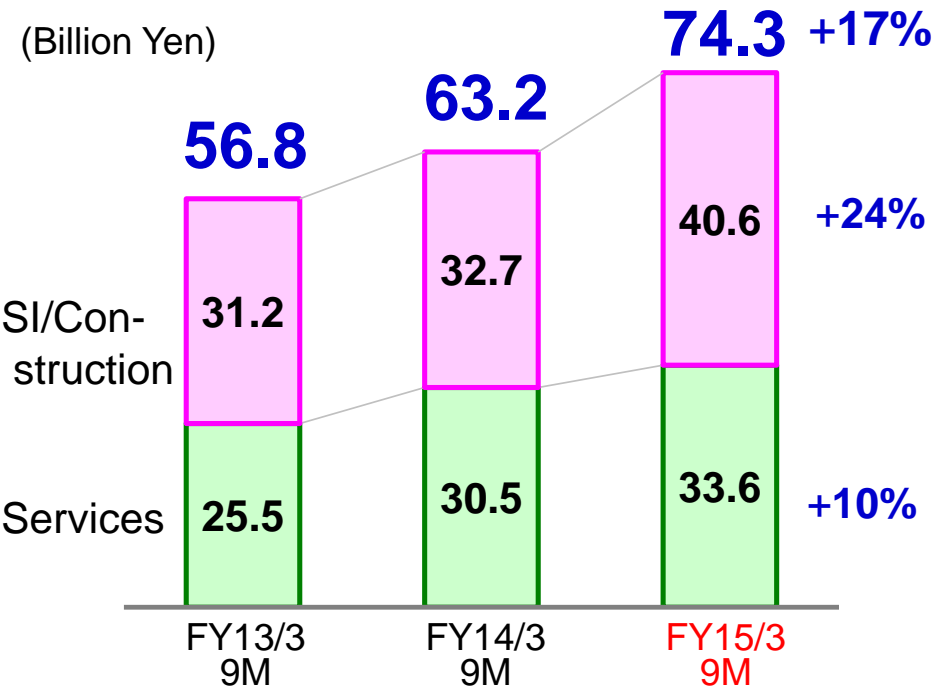
Orders and sales achieved double-digit increases, capturing the ICT investment recovery opportunity

- Consolidation of QAC. (Orders/Sales + ¥3 Bn. in 1Q)
- EmpoweredOffice business remained strong (Sales +15%)

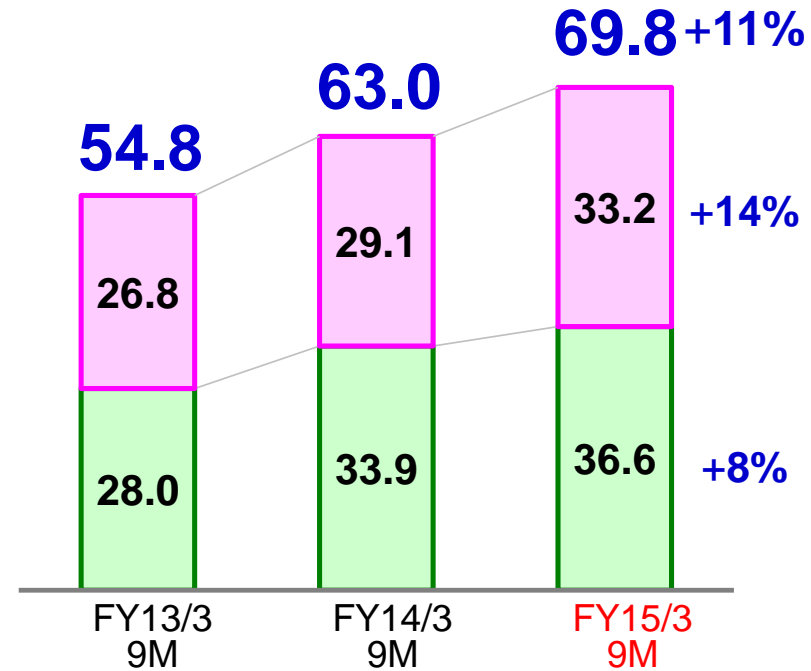
* Including QAC.

Orders Received

(Billion Yen)



Sales

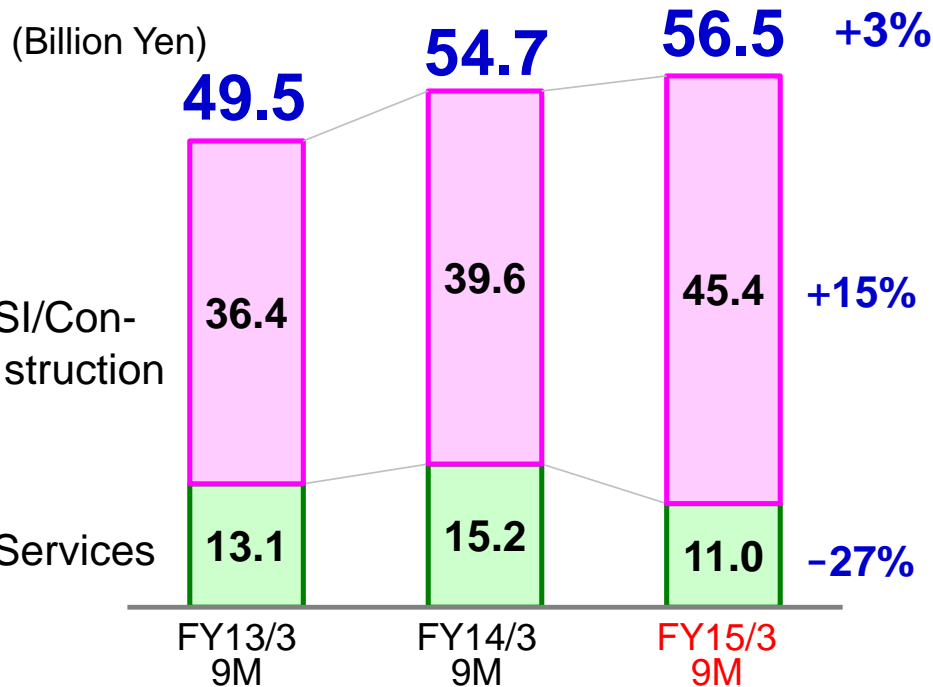


FY2015/3 9M Carriers Networks Business

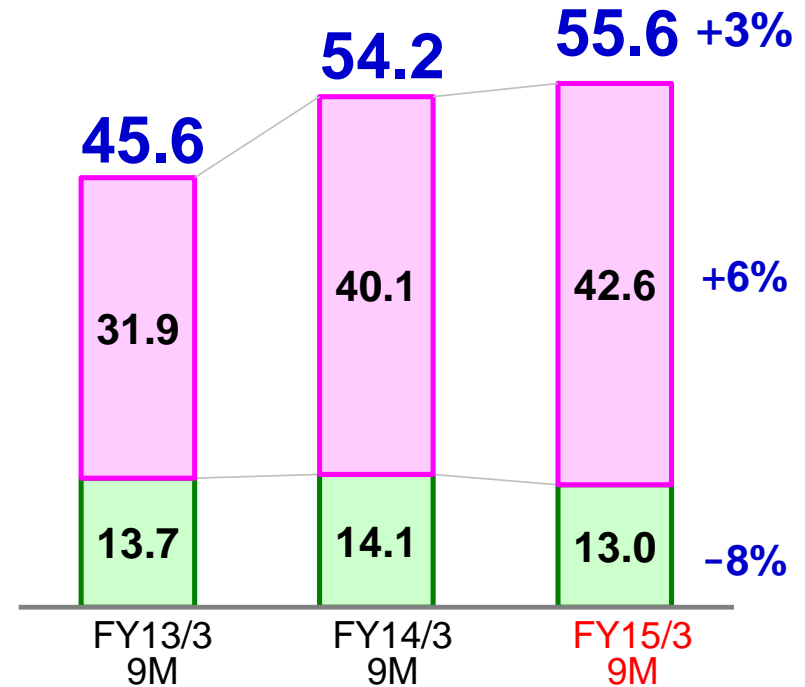
Orders and sales increased due to M&A executed in the previous year, despite the impact of decreased capex by telecom carriers

- Consolidation of NEC Magnus Communications (Orders/Sales + ¥10 Bn in 1H)
- The mobile BTS business decreased with the termination of platinum band despite an increase in LTE (Sales -30%)
- Orders for Services declined sharply, mainly due to the block posting of long-term maintenance projects in the previous fiscal year

Orders Received



Sales



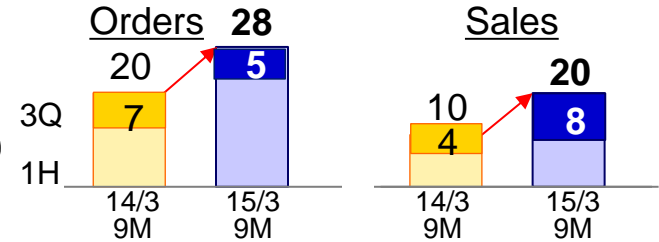
FY2015/3 9M Social Infrastructure Business

* FF: Firefighting, DP: Disaster prevention

A substantial increase in orders and sales against a backdrop of increased public investment

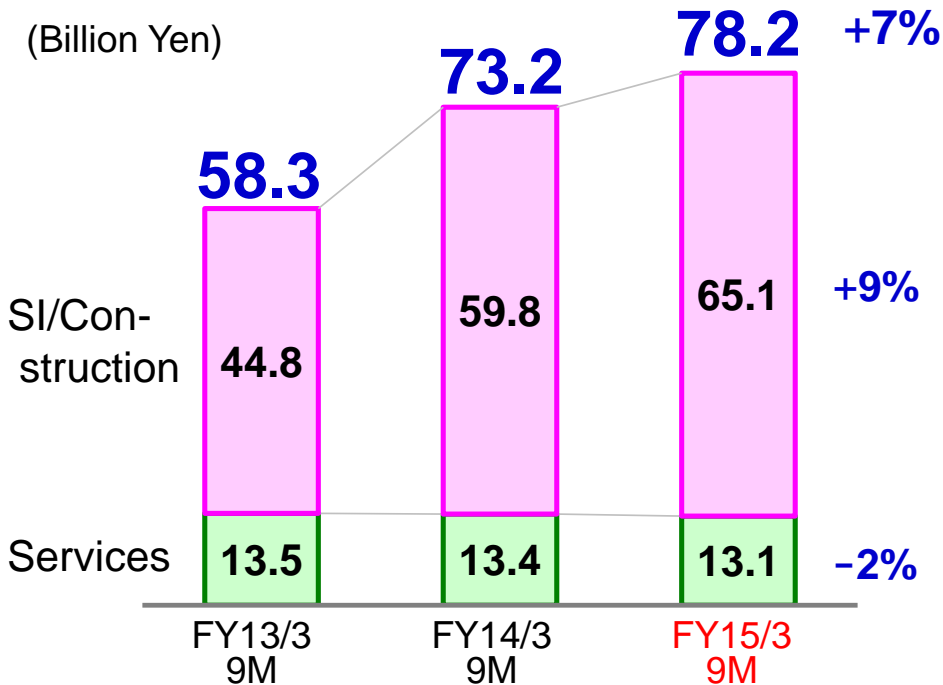
- Installation work of FF&DP systems is booming. (Orders began decreasing in 3Q.)

FF&DP systems trend (billion yen)

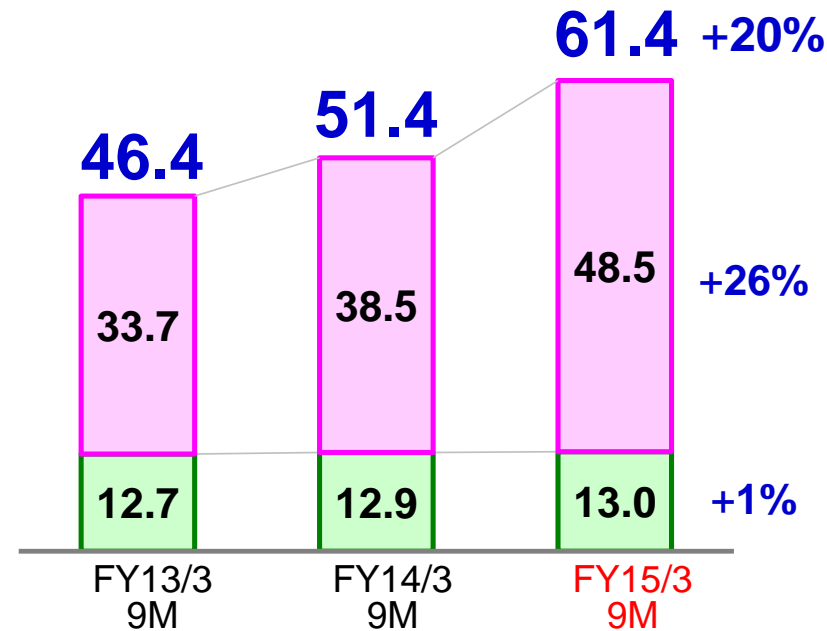


Orders Received

(Billion Yen)

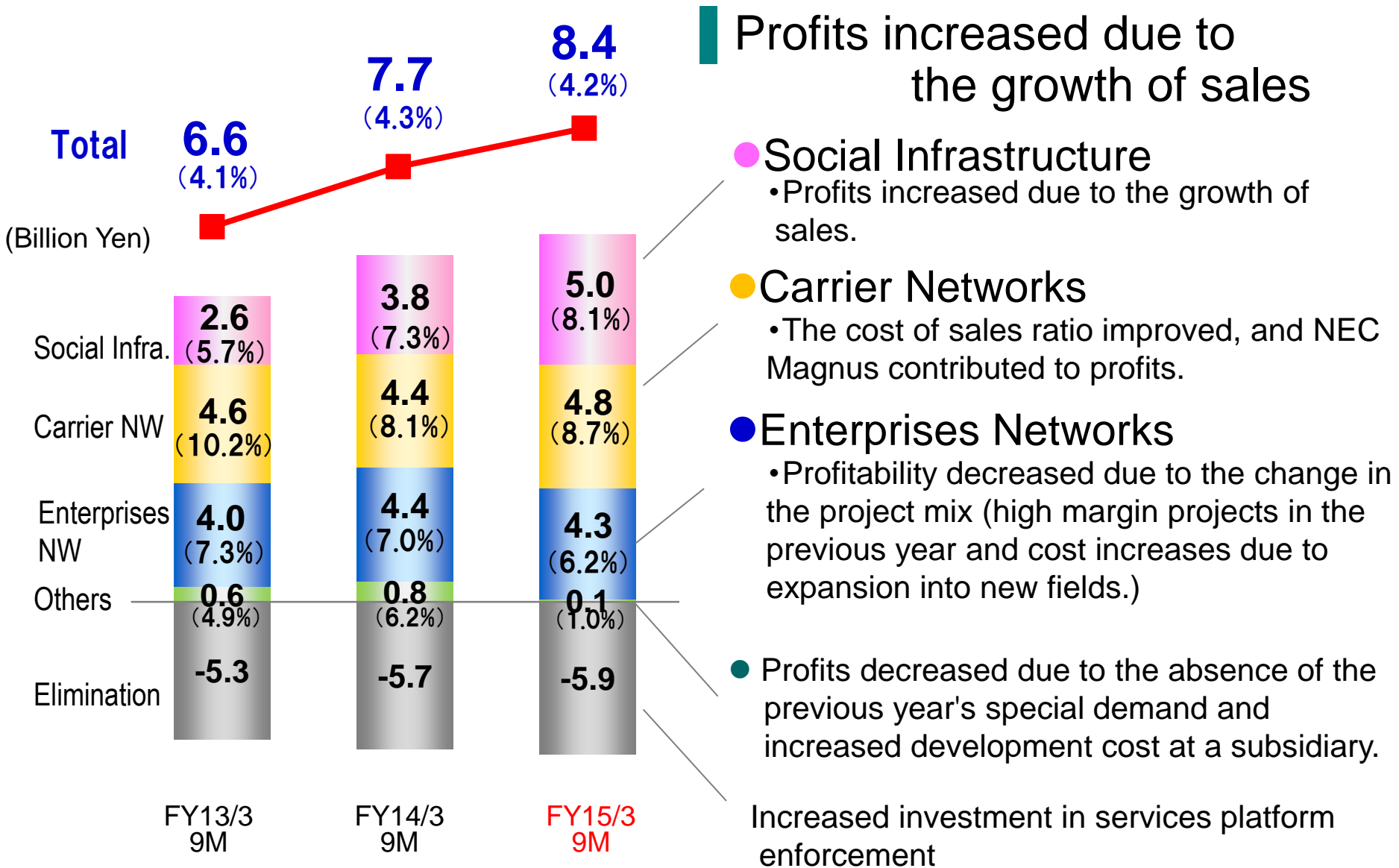


Sales



FY2015/3 9M Operating Income/Loss by Segment

* QAC: Q&A Corporation



FY2015/3 End of 3Q (December 2014) Balance Sheet

Although inventories increased with an increase in the number of ongoing projects, the owner's equity ratio improved 1.8 points by streamlining total assets through the collection of A/R and the pay-off of A/P.

		End of 14/3	End of 14/12	Diff.	(Billion yen)
	Cash and cash equivalents	44.4	39.9	-4.6	
	Notes and accounts receivable	96.0	88.4	-7.6	
	Inventories	8.2	14.7	6.5	
	other	8.8	9.6	0.8	
	Current Assets	157.4	152.6	-4.8	
	Noncurrent Assets	31.7	32.1	0.4	
	Assets	189.1	184.7	-4.4	
	Notes and accounts payable	43.2	39.1	-4.1	
	Loans	6.4	6.1	-0.3	
	Other	50.3	49.0	-1.3	
	Liabilities	99.9	94.2	-5.7	
	Shareholders' equity	91.2	92.0	0.8	
	Valuation and translation adjustments	-3.7	-3.2	0.5	
	Minority interests	1.7	1.7	0.0	
	Net Assets	89.2	90.5	1.3	
	Liabilities & Net Assets	189.1	184.7	-4.4	
	Owner's Equity Ratio	46.3%	48.1%	+1.8pt	

FY2015/3 9M Cash Flows

FCF decreased from the previous first nine months due to the timing of cash collection and the increase in Social Infrastructure projects with long work schedules.

(Billion Yen)

	FY14/3 9M	FY15/3 9M
Operating Cash Flow (A)	12.4	2.2
Investment Cash Flow(B)	-4.7	-3.1
Free Cash Flows (A)+(B)	7.6	-0.9
Financial Cash Flow	-3.3	-3.8

2. Forecasts for FY2015/3


FY2015/3 Full-Year Forecasts

No change from the previous forecasts

(Billion Yen)

	FY14/3	FY15/3 Forecasts	Change
Orders Received	280.1	295.0	+5%
Net Sales	270.3	285.0	+5%
Operating Income	14.4	15.0	+0.6
(to Sales)	(5.3%)	(5.3%)	+0.0pt
Net Income	8.3	9.0	+0.7
(to Sales)	(3.1%)	(3.2%)	+0.1pt

*Forecasts as at January 29, 2015, same as October 30, 2014 forecasts



Re-designing your Communication

NEC Networks & System Integration Corporation is committed to increasing customer value by redesigning future communications from the user's perspective.



Cautionary Statement

Forecasts of results mentioned in this document are future estimates and are thus inclusive of risks and uncertain factors since they are not based on definite facts. Please be aware that a variety of factors could cause actual results to differ significantly from those projected. The major factors affecting actual results include the economic climate and social trends surrounding the business of this Company's group, consumer trends vis-a-vis systems and services provided by this Company's group, as well as pressure to lower prices and ability to cope with the market in response to intensified competition. Factors affecting results are not limited to the ones mentioned above.

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<http://www.nesic.co.jp/english/index.html>